CITY OF SAN ANTONIO, TEXAS Neighborhood Action Department



Inner City Tax Increment Reinvestment Zone Eleven FY 2005 Annual Report

Participation Levels of City (100%)

December 31, 2005

Inner City Redevelopment Project Tax Increment Reinvestment Zone No. 11 Final Plan of Finance

Introduction

The Inner City Tax Increment Reinvestment Zone is located in the eastside of the City and encompasses approximately 2.5 square miles (1570 acres). The approximate boundaries of Tax Increment Reinvestment Zone Number Eleven ("TIRZ 11") lie approximately one block north of IH-35 on the north between Broadway on the west and Coliseum Rd. on the east, then south on Coliseum Rd. to Commerce St., then west along Commerce St. to New Braunfels St., then south to Iowa St., then east to Hoefgen Ave., then south to Westfall Ave., then west on Westfall Ave. into Star Blvd. to Probrandt St., then north on Probrandt to Alamo St., then northeast on Alamo St. to St. Mary's St., then north on St. Mary's into Navarro St., and continuing north on Navarro St. to Commerce St., then east to Bowie St., and going north on Bowie St. to Alamo St., and continuing northeast on Alamo St. to Jones Ave., then west on Jones Ave. to Broadway, and then north on Broadway to IH-35. The purpose of the TIRZ 11 is to fund public improvements and encourage economic development. The life of TIRZ 11 is projected to be 14.79 years with a termination date of September 30, 2015 (Fiscal Year).

Public Infrastructure

The public infrastructure improvements and related capital costs include streets, drainage, utilities, sidewalks, and park improvements and other costs approved by the TIRZ Board and City Council. The TIRZ 11 will provide a source of funding for public improvements. Annual construction of public improvements will be made in the amount of the TIRZ 11 revenues received through September 30, 2015. The estimated TIRZ 11 revenue to be received through September 30, 2015 is \$13,903,581. The TIRZ 11 revenues in excess of the estimated \$13,903,581 received through September 30, 2015 may be allocated to other projects as directed by the TIRZ 11 Board of Directors.

Plan of Finance

The year 2000 base value of the TIRZ 11 is \$303,650,690. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements. Captured taxable incremental values will commence in tax year 2001 with collections commencing in fiscal year 2002. Captured values grow from \$13,647,397 in tax year 2001 to \$359,498,314 in tax year 2014.

The City of San Antonio is the sole taxing jurisdiction utilized in the analysis. The City's participation level is 100% and the City's current tax rate per \$100 valuation is \$0.578540. This produces annual revenues of \$293,125 in fiscal year 2005 to \$2,027,846 in fiscal year 2015. Assessed values are increased at a 1.50% per year with no projected increases in the tax rate.

The cost of the public infrastructure improvements and other approved costs will be paid annually from revenues produced by the TIRZ 11. In addition to the capital costs, other costs to be paid

from the TIRZ 11 revenues include City annual administrative fees. Revenues derived from the TIRZ 11 will be used to pay costs in the following order of priority of payment: (i) administrative fees pertaining to the City; and (ii) second, to fund public improvements, on an annual basis, as TIRZ 11 revenues are available for such payments.

The projected amount of TIRZ 11 revenues to fund capital costs through September 30, 2015 is \$13,903,581. TIRZ 11 revenues in excess of the estimated \$13,903,581 received through September 30, 2015, may be allocated to other projects as directed by the TIRZ 11 Board of Directors and approved by the City Council. It is projected that funds for capital improvements will not be available until fiscal year 2002.

Limited Obligation of the City or Participating Governmental Entities

The City shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ 11. The TIRZ 11 collections shall not extend beyond September 30, 2015, and may be terminated prior to September 30, 2015. The public improvement infrastructure costs incurred shall be payable from the TIRZ 11 revenues or other sources of funding that may become available.

Reporting

The City shall submit a project status report and financial report at least annually to the City Council. The City shall also submit a project status report, financial report, or any other report as requested by the City Council within thirty (30) days of such request.

Inspection

The City shall have the right to inspect a project site or sites without notice and request information from developers.

Inner City Tax Increment Financing Zone Sources and Uses of Funds

| Sources of Funds | |
|-------------------------------|------------------|
| | |
| Projected TIF Revenues | \$ 13,903,581 |
| Total Sources of Funds | \$ 13,903,581 |
| Proposed Projects | |
| Eastside Sports Complex | \$ 1,832,992 |
| Quiet Zone | \$ 800,000 |
| Victoria Commons | \$ 3,362,169 |
| Barrio Comprehensive | \$ 1,700,000 |
| Fredrich | \$ 850,000 |
| Fredrich Carver | \$ 1,275,000 |
| Oscar Eason Center | \$ 1,700,000 |
| Merchant's Ice | \$ 340,000 |
| Staybridge | \$ 1,000,000 |
| Total Project Expenses | \$ 12,860,161 |
| Public Improvements | \$ 12,860,161 |
| Administrative Costs | \$ 140,000 |
| Total TIF Expenses | \$ 13,000,161 |
| Total Ending TIF Fund Balance | \$ 903,420 |

Notes

⁻The TIRZ fund will only reimburse up to \$1,832,992 for "user fees" for 'the Eastside Sport complex, \$249,148 in Tax Year 2007, \$218,148 in Tax years 2008-2011 and \$237,084 in tax years 2012-2014

⁻Tax year 2007 reimbursement to Eastside Sport Complex for \$249,148 includes: \$218,148 plus \$31,000 processing fee which is charged to the project

⁻The TIRZ fund will reimburse the Quiet Zone for 40% of the Quiet Zone's total project cost, not to exceed \$800,000.

Inner City Tax Increment Financing Zone

Projected Tax Increment Revenue

| | (1) | | (2) | (3) | | (4) | | | (5) | | | | | | |
|------|------------------|---------------|---------------|------------|----------------|----------------|----------------|----------------|-------------------|-------------|-------------|---------------|--------------|--------------|--------|
| | | | | | Tax I | ncrement Zone | | | | | Cit | y of San Anto | onio | | |
| | Beginning | Amended | Abatement | | Beginning | Value | Value | Projected | Projected | Projected | Captured | | | Total | Fiscal |
| Tax | Assessed | Assessed | Value | | Taxable | New | Scheduled | Year-End | Year-End Assessed | Captured | Taxable | | Tax | Tax | Year |
| Year | Value | Value | Adjustment | Exemptions | Assessed Value | Improvements | Improvements | Assessed Value | Taxable Value | Value | Value | Tax Rate | Increments | Increments | Ending |
| 1998 | | | | | | | | | | | | | | | 1999 |
| 1999 | | | | | | | | | | | - | | - | - | 2000 |
| 2000 | 303,650,690 | | 8,887,100 | 12,022,807 | 282,740,783 | 9,398,474 | 1,533,300 | 314,582,464 | 296,344,180 | | - | 0.57979 | - | - | 2001 |
| 2001 | 314,582,464 | | 9,146,300 | 9,628,184 | 295,807,980 | 6,739,005 | 316,700 | 321,638,169 | 301,322,447 | 13,647,397 | 13,647,397 | 0.57854 | 65,180 | 65,180 | 2002 |
| 2002 | 321,638,169 | | 9,146,300 | 11,169,422 | 301,322,447 | 25,372,242 | 2,246,775 | 349,257,186 | 330,347,546 | 18,581,664 | 18,589,707 | 0.57854 | 100,078 | 100,078 | 2003 |
| 2003 | 349,257,186 | 28,030,994 | 9,146,300 | 37,794,334 | 330,347,546 | 19,212,175 | 12,927,500 | 409,427,855 | 362,487,221 | 47,606,763 | 47,606,763 | 0.57854 | 249,076 | 249,076 | 2004 |
| 2004 | 409,427,855 | | 7,392,500 | 11,517,140 | 390,518,215 | 3,718,222 | 6,570,000 | 419,716,076 | 400,806,436 | 51,715,444 | 51,715,444 | 0.57854 | 293,125 | 293,125 | 2005 |
| 2005 | 419,716,076 | | | 18,909,640 | 400,806,436 | 1,804,701 | 6,230,000 | 427,750,778 | 408,841,138 | 93,961,817 | 93,961,817 | 0.57854 | 530,017 | 530,017 | 2006 |
| 2006 | 427,750,778 | | | 19,193,285 | 408,841,138 | 6,416,262 | 58,230,000 | 492,397,039 | 473,487,399 | 98,069,361 | 98,069,361 | 0.57854 | 553,186 | 553,186 | 2007 |
| 2007 | 492,397,039 | | | 19,481,184 | 473,487,399 | 7,385,956 | 32,500,000 | 532,282,995 | 513,373,355 | 162,715,622 | 162,715,622 | 0.57854 | 917,841 | 917,841 | 2008 |
| 2008 | 532,282,995 | | | 19,773,402 | 513,373,355 | 7,984,245 | 3,249,000 | 543,516,240 | 547,157,600 | 202,601,578 | 202,601,578 | 0.57854 | 1,142,828 | 1,142,828 | 2009 |
| 2009 | 543,516,240 | | | 20,070,003 | 547,157,600 | 8,152,744 | 25,800,000 | 577,468,983 | 555,310,343 | 236,385,823 | 236,385,823 | 0.57854 | 1,333,397 | 1,333,397 | 2010 |
| 2010 | 577,468,983 | | | 20,371,053 | 555,310,343 | 8,662,035 | - | 586,131,018 | 563,972,378 | 244,538,566 | 244,538,566 | 0.57854 | 1,379,385 | 1,379,385 | 2011 |
| 2011 | 586,131,018 | | | 20,676,619 | 563,972,378 | 8,791,965 | 77,191,100 | 672,114,083 | 649,955,443 | 253,200,601 | 253,200,601 | 0.57854 | 1,428,245 | 1,428,245 | 2012 |
| 2012 | 672,114,083 | | | 20,986,768 | 649,955,443 | 10,081,711 | | 682,195,795 | 660,037,155 | 339,183,666 | 339,183,666 | 0.57854 | 1,913,255 | 1,913,255 | 2013 |
| 2013 | 682,195,795 | | | 21,301,569 | 660,037,155 | 10,232,937 | | 692,428,732 | 670,270,091 | 349,265,378 | 349,265,378 | 0.57854 | 1,970,124 | 1,970,124 | 2014 |
| 2014 | 692,428,732 | | | 21,621,093 | 670,270,091 | 10,386,431 | | 702,815,163 | 680,656,522 | 359,498,314 | 359,498,314 | 0.57854 | 2,027,846 | 2,027,846 | 2015 |
| 2015 | | | | | | | | | | | | | | | 2016 |
| 2016 | | | | | | | | | | | | | | | 2017 |
| 2017 | | | | | | | | | | | | | | | 2018 |
| 2018 | | | | | | | | | | | | | | | 2019 |
| 2019 | | | | | | | | | | | | | | | 2020 |
| | | | | | | | | | | | | | | | _ |
| | | | \$ 43,718,500 | | | \$ 144,339,104 | \$ 226,794,375 | | | | | | \$13,903,581 | \$13,903,581 | |
| | Existing Value G | rowth Factors | | | | | | | | | | | | | |
| | Base Model Grov | wth Factor | | | | | | | | 1.50% | | | 100% | | |
| | Growth Factor A | | | | | | | | | 0.00% | | | 0.00% | | |
| | Combined Growt | th Rate | | | | | | | | 1.50% | | | 97.50% | | |

⁽¹⁾ Tax year 2000 value based on estimated certified values of existing property within the proposed zone. (Provided by the City of San Antonio, Texas)

Note: Base value adjusted from \$304,895,290 to \$304,204,890 , from \$304,204,890 to \$304,186,890 and from \$304,186,890 to \$303,650,690

⁽²⁾ Gaylord Container receives an ad valorem tax abatement through tax year 2004. The land value is taxable, improvements value is abated.

⁽³⁾ Type of exemptions include Historic, Over-65, Disabled Vets and appraised value limitations. Length of tax exemptions also vary.

⁽⁴⁾ Projected value of proposed improvements based on compound annual growth 1.50%.

⁽⁵⁾ Projected total taxable value increase over base year 2000 taxable value.

Inner City Tax Increment Financing Zone

TIF Revenues Available for Construction

| | Fiscal Year | TIF | Cumulative TIF | | TIF | Public Improvement Construction | Cumulative |
|-----------|----------------|---------------|-------------------|---------------|-------------|------------------------------------|--------------|
| _ | Ending | Revenue | Revenues | Revenue | Admin. Exp. | Funding | Construction |
| | | | | | | | |
| 15-Sep-00 | 2000 | | | | | | |
| 15-Sep-01 | 2001 | - | - | - | - | - | - |
| 15-Sep-02 | 2002 | 65,180 | 65,180 | 65,180 | 10,000 | 55,180 | 55,180 |
| 15-Sep-03 | 2003 | 100,078 | 165,258 | 100,078 | 10,000 | 90,078 | 145,258 |
| 15-Sep-04 | 2004 | 249,076 | 414,334 | 249,076 | 10,000 | 239,076 | 384,334 |
| 15-Sep-05 | 2005 | 293,125 | 707,458 | 293,125 | 10,000 | 283,125 | 667,458 |
| 15-Sep-06 | 2006 | 530,017 | 1,237,475 | 530,017 | 10,000 | 520,017 | 1,187,475 |
| 15-Sep-07 | 2007 | 553,186 | 1,790,661 | 553,186 | 10,000 | 543,186 | 1,730,661 |
| 15-Sep-08 | 2008 | 917,841 | 2,708,502 | 917,841 | 10,000 | 907,841 | 2,638,502 |
| 15-Sep-09 | 2009 | 1,142,828 | 3,851,329 | 1,142,828 | 10,000 | 1,132,828 | 3,771,329 |
| 15-Sep-10 | 2010 | 1,333,397 | 5,184,726 | 1,333,397 | 10,000 | 1,323,397 | 5,094,726 |
| 15-Sep-11 | 2011 | 1,379,385 | 6,564,111 | 1,379,385 | 10,000 | 1,369,385 | 6,464,111 |
| 15-Sep-12 | 2012 | 1,428,245 | 7,992,356 | 1,428,245 | 10,000 | 1,418,245 | 7,882,356 |
| 15-Sep-13 | 2013 | 1,913,255 | 9,905,611 | 1,913,255 | 10,000 | 1,903,255 | 9,785,611 |
| 15-Sep-14 | 2014 | 1,970,124 | 11,875,735 | 1,970,124 | 10,000 | 1,960,124 | 11,745,735 |
| 15-Sep-15 | 2015 | 2,027,846 | 13,903,581 | 2,027,846 | 10,000 | 2,017,846 | 13,763,581 |
| 15-Sep-16 | 2016 | | | | | | |
| 15-Sep-17 | 2017 | | | | | | |
| 15-Sep-18 | 2018 | | | | | | |
| 15-Sep-19 | 2019 | | | | | | |
| 15-Sep-20 | 2020 | | | | | | |
| | | | _ | | | | |
| | | \$ 13,903,581 | = | \$ 13,903,581 | \$ 140,000 | \$ 13,763,581 | |

Inner City Tax Increment Financing Zone Participation Levels

| Tax | Level | % of | | |
|-----------|------------------|--|--|---|
| Rate | of Participation | Project | T | IF Revenues |
| 0.5785400 | 100% | 100.00% | \$ | 13,903,581 |
| 0.5785400 | | 100.00% | \$ | 13,903,581 |
| | Rate 0.5785400 | Rate of Participation 0.5785400 100% | Rate of Participation Project 0.5785400 100% 100.00% | Rate of Participation Project T 0.5785400 100% 100.00% \$ |

Inner City Tax Increment Financing Zone Projected Property Improvement Value (Property Values Added to Tax Roles)

| Fiscal | Embassy Suites | Holiday Inn | Best Western | Ruth's Chris | | Victoria Courts | Historic Gardens | | | Springview Hope I | Springview Hope II | Springview Hope III | New Light Village Homes |
|--------|-------------------|----------------|-----------------|-----------------|------------|--------------------|---------------------|-----------|------------|----------------------|-----------------------|------------------------|----------------------------|
| Year | Hotel | Express | Hotel | Steakhouse | Enron | Project | Phase II | Paragon | McDonald's | Project | Project | Project | Phase 1 |
| 1999 | | | | | | | | | | | | | |
| 2000 | | | | | | | | | | | | | |
| 2001 | | | | 721,300 | 715,300 | | | 26,500 | 70,200 | | | | |
| 2002 | | | | | | | | 6,200 | 310,500 | | | | |
| 2003 | | | | | | | 1,391,775 | | | | | | 855,000 |
| 2004 | | | | | | | 507,500 | | | 4,200,000 | 4,800,000 | | |
| 2005 | | | | | | | | | | | | 4,650,000 | |
| 2006 | | 1,800,000 | | | | 4,430,000 | | | | | | | |
| 2007 | 23,000,000 | 1,800,000 | | | | 4,430,000 | | | | | | | |
| 2008 | | | | | | | | | | | | | |
| 2009 | | | | | | | | | | | | | |
| 2010 | | | | | | 25,800,000 | | | | | | | |
| 2011 | | | | | | | | | | | | | |
| 2012 | | | | | | | | | | | | | |
| \$ | 23,000,000 | \$ 3,600,000 | \$ - | \$ 721,300 \$ | 715,300 \$ | 34,660,000 | \$ 1,899,275 | \$ 32,700 | \$ 380,700 | \$ 4,200,000 | \$ 4,800,000 | \$ 4,650,000 | \$ 855,000 |

Notes:

- Embassy Suites Hotel project is tentatively projected to be added to the tax roles in FY 2007.
- Holiday Inn property value is projected to come online FY 2006 and FY 2007. Developer is securing financing for the project.
- Best Western project is designated as Historic and is 100% non-taxable for the next 4 years. Revenues Division is verifying the 100% non taxable designation with Planning Department/Historic Preservation.
- Ruth Chris Steakhouse 2001 value assessed significantly lower than projected value. Property value for 2002 decreased by \$262,300.
- MCI assess no value increase as a result of improvements in FY 2001. Property value for 2002 decreased by \$218,000.
- Victoria Courts property values are projected to come on the tax roles in FY 2006 and FY 2007.
- Historic Gardens phase II completed 17 homes in FY 2003; 7 homes completed in FY 2004
- Springview Hope Phases I and II property values added on tax roles FY 2004. Phase III in FY 2005. Phase IV is dissolved. The total number homes increased from 154 to 182 homes. Phase I, 56 homes; Phase II, 64 homes and Phase III, 62 homes per SAHA.
- La Quinta Inn/San Antonio Convention Center Inn and Suites project added. Current assessed value is \$6,709,600 (\$6,000,000 land value and \$709,600 improvement value).
- Historic Gardens phase III property values are projected to come on the tax roles in FY 2009.

| | New Light | New Light | La Quinta | | | | | | | Historic | | |
|--------|---------------|---------------|---------------|--------------|---------------|--------------|--------------|--------------|---------------------|--------------|----------------|--------|
| Fiscal | Village Homes | Village Homes | Convention | Merchant's | | Fredrich | | Oscar Eason | Convention Center | Gardens | Annual | Fiscal |
| Year | Phase 2 | Phase 3 | Center Inn | Ice | Staybridge | Building | Carver | Center | Condominium Project | Phase III | Total | Year |
| 1999 | | | | | | | | | | | - | 1999 |
| 2000 | | | | | | | | | | | - | 2000 |
| 2001 | | | | | | | | | | | 1,533,300 | 2001 |
| 2002 | | | | | | | | | | | 316,700 | 2002 |
| 2003 | | | | | | | | | | | 2,246,775 | 2003 |
| 2004 | 3,420,000 | | | | | | | | | | 12,927,500 | 2004 |
| 2005 | | 1,920,000 | | | | | | | | | 6,570,000 | 2005 |
| 2006 | | | | | | | | | | | 6,230,000 | 2006 |
| 2007 | | | 25,000,000 | 4,000,000 | | | | | | | 58,230,000 | 2007 |
| 2008 | | | | | 18,000,000 | 8,000,000 | 1,500,000 | 5,000,000 | | | 32,500,000 | 2008 |
| 2009 | | | | | | | | | | 3,249,000 | 3,249,000 | 2009 |
| 2010 | | | | | | | | | | | 25,800,000 | 2010 |
| 2011 | | | | | | | | | | | - | 2011 |
| 2012 | | | | | | | | | 77,191,100 | | 77,191,100 | 2012 |
| _ | \$ 3,420,000 | \$ 1,920,000 | \$ 25,000,000 | \$ 4,000,000 | \$ 18,000,000 | \$ 8,000,000 | \$ 1,500,000 | \$ 5,000,000 | \$ 77,191,100 | \$ 3,249,000 | \$ 226,794,375 | : |

Inner City Tax Increment Financing Zone

Projected Improvements

| | | | Total New |
|------|----------------|--------------|----------------|
| Tax | Scheduled | Other | Improvements |
| Year | Improvements | Improvements | Base Model |
| 1999 | | | - |
| 2000 | - | - | - |
| 2001 | 1,533,300 | - | 1,533,300 |
| 2002 | 316,700 | - | 316,700 |
| 2003 | 2,246,775 | - | 2,246,775 |
| 2004 | 12,927,500 | - | 12,927,500 |
| 2005 | 6,570,000 | - | 6,570,000 |
| 2006 | 6,230,000 | - | 6,230,000 |
| 2007 | 58,230,000 | - | 58,230,000 |
| 2008 | 32,500,000 | - | 32,500,000 |
| 2009 | 3,249,000 | - | 3,249,000 |
| 2010 | 25,800,000 | - | 25,800,000 |
| 2011 | - | - | - |
| 2012 | 77,191,100 | - | 77,191,100 |
| | \$ 226,794,375 | \$ - | \$ 226,794,375 |